

Approved For Release 2001/11/16 : CIA-RDP63-00084A000200100025-7

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(Security Classification)EnclosureDCN Case Summaries

(NOTE: Unless indicated otherwise, [] information contained in these summaries is classified SECRET/NOFORN/INFORMATION ONLY.)

25X1

1. DCN Case 384-A (Mercury - 1000 flasks; MEXICAN PRODUCTS TRADING CO.)

(Supplemental information to that contained in CA-2276, 9/17/55)

According to Bonn D-2700, 22 June 1955, the MEXICAN PRODUCTS TRADING CO., The Hague recently offered Spanish-origin mercury of 99.99% purity to the DIA (DEUTSCHER INNER und AUSSENHANDEL), East Berlin.

The Netherlands firm indicated that approximately 1500 bottles of mercury could be delivered if DIA would accept delivery of the goods in Vienna and guarantee payment of \$325 per bottle upon receipt of the goods.

Approximately 1000 bottles were said to be at the company's disposal in Germany at that time. This quantity was offered for delivery in shipments of 150 to 200 bottles every 2 to 4 days in railroad cars G.I.F. transit Vienna, payment at arrival and delivery in free U.S. dollars. (CONFIDENTIAL)

2. DCN Case 385 (Nickel - 35 tons; LAHEGO)

CA-1079, August 8, 1955, reported that LAHEGO A.B., Artillerigatan 34b, Stockholm, is known to have been involved in the diversion of various shipments of strategic materials to the Soviet bloc in the past twelve months.

In April or May 1955, LAHEGO purchased 35 tons of nickel from NIPPON BUSSAN KAISHA of Tokyo, Japan. The nickel is to be shipped to Goteborg at the rate of five tons a month beginning in May 1955. Credit for the first two consignments was deposited in Tokyo on 14 May 1955 through A.B. SVENSKA HANDELSBANKEN of Stockholm. Arrangements concerning these shipments are being made through GENERAL TRANSPORT A.G., of Basel, Switzerland. In view of the parties involved, the nickel is presumably destined for the Soviet bloc.

3. DCN Case 386 (Molybdenum Wire - 150 kilos; "EXPRESS")

Basel D-13, 5 August 1955, reported that a British official had obtained information which stated that during the last half of July 1955 CONRAD FRH von Basel, had received three shipments of molybdenum wire weighing in all 150 kilos, for NAUTA A.G. INTERNATIONALE TRANSPORTE, Westquaistrasse 1, Basel. The consignments were addressed to A. & K. WILLIMANN, Thiersteiner Allee 29, Basel, who subsequently instructed that the goods be forwarded to "EXPRESS" INTERN, SPEDITIONS G.m.b.H., Wollbengasse 4, Vienna IV. The molybdenum wire was of Swedish origin. The British source had reasons to believe that the goods came to Switzerland via Holland and had caused an investigation made there with a view to ascertaining the identity of the suppliers and their agents. In view of the reputation of "EXPRESS", it is suspected that the wire was transhipped by it to the Soviet bloc.

4. DCN Case 387~~CONFIDENTIAL~~

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DCN Case Summaries - cont'd.4. DCN Case 387 (Nickel - 257 kgs., 335 kgs.; FATTORINI/SOHERA)

Rome D-212, 1 August 1955, stated that the Foreign Office has informed them that Italian Finance Guards stopped and searched two Swiss auto vehicles leaving Italy at the Italo-Swiss border near Como, and discovered 257 kgs. of nickel in the first vehicle and 335 kgs. in the second. The nickel, which was in the form of bars and balls, was carefully hidden in the two vehicles. The vehicles were driven by Isidoro FATTORINI and Bernardo SOHERA, both Swiss citizens. (CONFIDENTIAL)

5. DCN Case 388 (Copper - 5000 tons; ASMUSSEN/TRADEVOX)

Copenhagen D-152, 18 August 1955, reported that a Mr. A. H. ASMUSSEN had approached the Embassy on 11 August 1955 in order to obtain assistance in locating a U.S. supplier of 5000 tons of copper.

Mr. ASMUSSEN, both a shipowner and an importer of agricultural products, stated that the Danish firm TRADEVOX of Lyngby, a Copenhagen suburb, had originally obtained this order from an unnamed West German firm. TRADEVOX, however, had been unable to secure a supplier of the copper and had turned over the deal to ASMUSSEN.

Copenhagen D-227, 12 September 1955, reported that ASMUSSEN returned to the U.S. Embassy to report that the Zurich firm of BAERLOCKER STUDER has or will soon have available 25,000 tons of Chilean copper of which 17,000 tons will be made available to ASMUSSEN. Of the 17,000 tons ASMUSSEN stated that 10,000 would go to the West German firm whose agent, he revealed, was the Danish firm NIELSON and QUIST. ASMUSSEN also plans to sell 2000 tons to a London firm HEWSON AERONAUTICAL CO., and 5000 tons to PHILLIPS BROS., of Amsterdam. The West German firm will finance through Denmark, and the other two transactions are apparently to be financed through Zurich.

The Embassy in Copenhagen has reported that although nothing is obviously out of order in these transactions, the amount of copper involved and the general circumstances appear suspicious. It is noted also that NIELSON and QUIST, mentioned as agents for the West German firm, was a principal in DCN 269 involving the diversion of copper and nickel. The Danish firm TRADEVOX was discussed in Copenhagen's Unnumbered Tel. of 30 March 1955 as the proposed recipient of 3000 tons of Chilean copper. The address given for TRADEVOX in this telegram was Kirkevsenget 15, Valley, Copenhagen and not the one reported for TRADEVOX in Copenhagen D-152. (CONFIDENTIAL)

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(Security Classification)DCN Case Summaries - cont'd.6. DCN Case 389 (Copper - 4000 tons; ALBERT/METZLER)

Vienna Tel 527, 19 August 1955, reported that the Linz firm Karl ALBERT has requested permission of the Austrian National Bank to purchase 4000 tons of Chilean copper for shipment to Rumania. Inquiry of the Austrian Foreign Office determined that the transaction is being handled through the SCHWEIZERBOLKBANK, and that the Zurich firm Karl METZLER is an intermediary although Santiago Tel 113, 26 August, states that the Chilean copper producer and the Central Bank both disclaim any knowledge of the transaction, Vienna reports that 11 tons are already in Genoa. The ALBERT firm has stated that if the Austrian Bank rejects the deal, it will go through another country.

See also Vienna Tel 649 of 31 August 1955. (CONFIDENTIAL)

7. DCN Case 390 (Copper - 120 tons; BRECKA)

Vienna Tel 603 of 26 August 1955 reported that the Austrian Central Licensing Agency had approved a license for direct shipment of 120 tons of Chilean copper to the firm Stephen BRECKA. The Chilean firm concerned is TAULIS REYES CIA LTA.

BRECKA has been involved in previous diversions and TAULIS REYES recently played a role in a copper transaction via Argentina which is strongly suspected of having been a diversion attempt. In view of the past activities of the two principals in this current transaction for 120 tons, it has been recommended that the deal be kept under close surveillance, and that the Chilean authorities require an Austrian IC before licensing the shipment.

See also Deptel 107 to Santiago, 7 September 1955. (CONFIDENTIAL)

8. DCN Case 391 (Diamond Dies; SERTI)

The firm SOCIETE D'ETUDES ET DE RECHERCHES TECHNIQUES ET INDUSTRIELLES S.A. reportedly delivered diamond wire drawing dies to Communist China via the CHINA NATIONAL IMPORT AND EXPORT CORPORATION, Leipzigerstrasse 112, Berlin W 8. Total value of the dies was about 70,000 Swiss francs. The dies were of Swiss origin with payment to the Union Bank of Switzerland in Geneva for the account of SERTI. (D-2691 Bonn, 21 June 1955) The dies in question are commodity IL 1386 according to Department of Commerce technicians. (CA-570, Bern)

No Swiss export licenses covering diamond dies were issued to SERTI, S.A., of Geneva. However, an export license for shipment direct to Communist China was issued to the manufacturer GAILLARD, Rue du Stand 30, Geneva, for a value roughly corresponding to that indicated in D-2691 above. (D-101, Bern)
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9. DCN Case 392 (Copper; CHIATURY)

Rotterdam D-35, 5 August 1955, reported that the Soviet vessel CHIATURY, on a voyage from Poti in the Black Sea has loaded in Rotterdam a cargo described simply as copper. Neither specifications nor tonnage was given. The CHIATURY departed from Rotterdam for Stettin 30 June 1955. A Naval message from Bremerhaven (REPCOMNAVGER Bremerhaven, 05124Z, 6 July 1955) reported Kiel canal citings, giving the CHIATURY passing that area on 1 July. Cargo is reported as wire. It is probable that the cargo was copper wire.

10. DCN Case 393 (Ferromolybdenum; AVESTA JERNVERKS)

CA-1800 to Stockholm, 31 August 1955, requested an end-use check on a shipment of 16 tons of molybdenum concentrate to AVESTA JERNVERKS, Sweden, from A. JOHNSON & CO. of New York via A. JOHNSON & CO. of Sweden. On the basis of a shipment of one ton of Swedish origin ferro-alloys to Poland (reported in BLEU transit trade statistics for March) together with coincidental deliveries of ferromolybdenum from JOHNSON & CO., New York, to AVESTA JERNVERKS, it is believed that US-origin molybdenum is possibly being diverted to the Soviet bloc via Sweden.

Stockholm Embtel 287, 19 September 1955, recommends favorable action on above referenced license application and states details of their investigation will follow.

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